



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

June 9, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**PROPOSED REGISTRAR-RECORDER WAREHOUSE SERVICE CENTER
REFURBISHMENT (ITEM 43, JUNE 13, 2006 AGENDA)**

At the May 30, 2006, meeting the Board directed that a response be prepared which would provide information concerning the recent approval of a purchase and sale agreement for a building to serve as the operations center for the Registrar-Recorder/County Clerk (RR/CC).

Termination of Purchase

County Counsel has advised that the County may withdraw from the purchase without a substantial risk of incurring liability in the event the seller cannot cure certain title exceptions if the County does not agree to the exceptions by June 13, 2006. This means that if items which are reflected in the title report are not acceptable to the County and the seller cannot either remove them from the report or correct the exception to the County's satisfaction within 15 days, the County may terminate the transaction. County Counsel has prepared a detailed analysis of the purchase agreement which is available at your request. Please contact Principal Deputy County Counsel Kathleen Felice at 974-1852 in regard to County Counsel's advice.

Re-sale of the Property

The County can consummate the purchase agreement and offer the property for sale. Under current market conditions no loss would be expected to occur. It is anticipated the County would be able to achieve a sale price of approximately \$5 to \$10 per square foot over the acquisition price (approximately \$500,00 to \$1,000,000) based on staff's

research, an independent broker's opinion and projections contained in the February 27, 2006 appraisal of the property.

Acquisition Background

The following factors make this property unique with respect to satisfying the RR/CC's programmatic needs. The building is a new building constructed in 2005 with ceiling clearance of 30 feet. It is located within a mile and a half of the RR/CC Headquarters which is logistically very advantageous to the department. The location is also served with public transportation facilitating access to the large number of temporary staff hired during elections.

The property was not originally for sale. The owner put half of the building up for lease which was in excess of their needs. The owner was convinced to sell the entire facility to the County and relocate to a smaller facility. Prior to identifying the Corral Place building, only one property had been identified which could have met the RR/CC's programmatic needs. The sale price of this building was \$13 million and came with severe restrictions on parking. Similar to the Corral Place facility, this building would have required extensive refurbishment to turn warehouse space into the desired RR/CC operations center.

Alternative Sites

Currently, no alternative sites have been identified. Finding a site which meets the RR/CC's requirements could take six to eight months and an additional four to six months to negotiate the purchase and bring the matter to your Board for consideration. Industrial facilities in this market sell in a very short period, sometimes in less than a day, due to a lack of supply. Similar issues apply to a lease, which could cost a projected \$0.65 to \$0.70 per square foot per month, or \$780,000 to \$840,000 per year.

Proposed Refurbishment

As a rule, all warehouse space requires some level of improvement to be made operational for the specific function it is intended. The \$6.3 million refurbishment will turn the empty space of the Corral Place building into an RR/CC operational center which will house a current permanent staff of 38 and up to 200 during an election. The proposed refurbishment is detailed on the attached and includes an office area for permanent staff, a special racking system to accommodate the unique requirements of the RR/CC, special electrical supply and distribution to maintain computerized voting equipment, a call center and a high number of restrooms to accommodate election time staff.

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The proposed refurbishment reflects the preferred RR/CC scope to make the facility an effective operational center to meet the programmatic needs of the department. The costs are estimates at this time as an architect has not yet been retained since this project has been fast-tracked in order to be available for new voting equipment beginning in July. Presently, the RR/CC has no space available for the new equipment. If the Corral Place building is not available, then temporary lease space will need to be pursued on an urgent basis to store the new equipment.

Recommendation

Based on the lack of alternate sites, the increasing cost of industrial warehouse space, and the pressing needs of the RR/CC to accommodate Help America Vote Act requirements, we recommend that the acquisition of the building be completed and the proposed refurbishment be implemented.

Please let me know if you have any questions, or your staff may contact John Edmisten of my staff, at 974-7365 for further information.

DEJ:SRH
JSE:rr

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 Department of Public Works
 Registrar-Recorder/County Clerk

**Registrar - Recorder/ County Clerk
New Warehouse
Preliminary Budget**

Description of Work	Area	Cost/sq.ft.	Amount
Hazmat Monitoring	99,494		\$ 10,000
Site Work			
ADA Parking Re-Stripping			\$ 15,000
Site Signage			\$ 15,000
Landscaping & Irrigation			\$ -
Subtotal			\$ 40,000
Building Work			
New office	5,156	\$ 136	\$ 701,216
Assembly	5,688	\$ 65	\$ 369,720
Ballot Inspection	1,055	\$ 85	\$ 89,675
Call Center	2,103	\$ 85	\$ 178,755
Existing Office	2,313	\$ 55	\$ 127,215
Mezzanine	18,429	\$ 60	\$ 1,105,740
Warehouse Remodel	83,179	\$ 7	\$ 582,253
Hard Cost			\$ 3,170,000
Change Order Budget			\$ 345,000
Total Hard Cost			\$ 3,515,000
Rack System			\$ 750,000
Furniture Fixtures and Equipment			\$ 150,000
Telecommunication/Data			\$ 1,100,000
Equipment			\$ 75,000
Plans and Specification			\$ 350,000
Consultant Services			\$ 120,000
Misc. Expenditures			\$ 5,000
Jurisdictional Review and Plan Check			\$ 15,000
County Services (PM, Inspection)			\$ 281,000
Total Budget			\$ 6,361,000

Notes

1. Costs for environmental cleanup are not included.
2. Budget includes limited Structural work.
3. New emergency generator is not included.
4. No Landscape revision costs are included
5. There could be a cost savings on Telecom/Data after ISD review and the Rack system.